

REVIEW OF THE
SOCIO-ECONOMIC
COMPONENTS OF THE
FINAL
ENVIRONMENTAL
IMPACT STATEMENT
FOR THE DORIS
NORTH PROJECT

RT ASSOCIATES LTD.
DECEMBER 21, 2005

INTRODUCTION

This review is in respect of the following key area identified by the Nunavut Impact Review Board: the socio-economic impact of the Project on affected residents and communities of Nunavut.

We have reviewed section 6.1 of Miramar Mining's *Final Environmental Impact Statement for the Doris North Project*, dated October 28, 2005, with particular attention to the accompanying Technical Reports *Community Services and Infrastructure* (Chapter 25), and *Employment and Economy* (Chapter 26). Our review comprised:

- A compliance check with respect to commitments made by the proponent to provide additional information in response to issues raised by KIA during the August 2005 PHC;
- Re-assessment of the assumptions and methodologies used in the proponent's analyses; and
- Re-evaluation of the proponent's conclusions regarding the predicted impacts of the proposed project and identified mitigation measures, in light of the additional information.

GENERAL COMMENTS

In our review of the Draft EIS, we had generally agreed with the proponent that the adverse socio-economic effects would be "negligible to minor", and outweighed by the benefits to be derived from the Project. However, there was clearly room for improvement in the scope and nature of the benefits to be derived from the Project. In particular, we noted that the proponent has a very real opportunity to contribute to the building of business capacity in the Kitikmeot Region, and to reduce currently high levels of unemployment in the Region by partnering with those agencies with a training mandate to develop industry-specific skill development programs, or at the very least, to work with the Kitikmeot Inuit Association to achieve its vision of a Mining and Trades Training Centre in the Region.

There are still no substantive measures to build business capacity in the Region, nor explicit support for a Mining and Trades Training Centre, but the proponent has made significant improvements in the FEIS, with respect to:

- Inclusion of an Inuit Employment Strategy;
- New pre-employment and employment training initiatives; and
- An improved socio-economic monitoring program.

ISSUES

The major (i.e., “high priority”) issues identified in our review of the Draft EIS included:

1. Employment Opportunities [Section 25.2.1 of the DEIS]. The proponent should clarify the expectations for jobs to be filled by Kitikmeot Inuit – by community – without using ambiguous terms such as “West Kitikmeot” or “permanent jobs”.
2. Training [Sections 25.2.1 and 25.2.2 of the DEIS]. The proponent should make a stronger commitment to hiring and training unemployed Inuit, rather than expecting to draw from the pool of skilled – and currently employed – workers. The proponent should work with organizations with a training mandate (e.g., the Government of Nunavut, HRDC, INAC, KETP) to accomplish this.
3. Enhancement and Mitigation Measures – Employment [Section 25.2.1.1 of the DEIS]; and Economy [Section 25.2.3.1 of the DEIS]. Monitoring mechanisms should be developed for both the socio-economic and employment creation aspects of this Project – and if they already are, should be more clearly articulated in the Environmental Impact Statement.
4. Capacity Building [Section 25.2.3 of the DEIS]. The proponent should make a stronger commitment to identifying and implementing measures designed to build business capacity in the Kitikmeot region related to its proposed Project.

In the following table, we summarize changes in the Final EIS, if any, to address these four outstanding issues.

Issue:	Employment Opportunities
Commitment:	<p>The proponent will provide a draft Kitikmeot Employment Strategy for the FEIS.</p> <p>According to INAC, the proponent also committed to provide for the assumptions they made on labour force supply based on the skills survey completed in Gjoa Haven. This information is to be provided to demonstrate that they can meet their northern hire commitments based on the available workforce.</p>
New Reference:	Chapter 26, Section 2.1; and Appendix 26D
Proponent Remarks:	<p>The proponent “anticipates that the Project will generate approximately 100 jobs to residents of the West Kitikmeot.”</p> <p>The proponent also recognizes that mining is a “a highly skilled and technical industry”, and acknowledges that there is a skills gap in the Kitikmeot. Having said that, the proponent includes Appendix 26D,</p>

Inuit Employment Strategy, dated October 2005, with the objectives of maximizing Inuit employment and training opportunities associated with the Doris North Project. The strategy contains 4 parts:

1. Pre-Employment Initiatives
2. Recruitment
3. Employee Development
4. Retention of Employees.

Comments:

The proponent's employment targets are much clearer, with employment expectations outlined in tables 26.5 and 26.6 [Chapter 26; pp. 17,18]. However, the proponent's plans for filling these employment expectations – contained in the attached *Inuit Employment Strategy* – are not well developed.

There are some good statements in the document, i.e.:

- The proponent commits to filling entry-level positions only with West Kitikmeot Inuit candidates.
- The Manager, Northern Hiring will be accountable for meeting Inuit employment targets.
- KIA will have first opportunity to source an appropriate candidate for all job postings. Intern positions will be developed for those already possessing the necessary skills and/or education levels.

However, there are also some weaknesses, i.e.,

- The Manager, Community Relations, is tasked with implementing pre-employment development measures – a significant amount of work.
- Plans to promote and develop entry level employees, so they can move ahead to more skilled jobs, are not well developed in the document.
- There are no ties to a training strategy.

Recommendations: The new measures are an improvement over those in the DEIS, but we would like to see evidence of integration of the employment and training strategies. As well, we are concerned with the workload imposed on the Manager, Community Relations, in light of his other duties.

Issue: Training for Employment Opportunities

Commitment: The proponent commits to participating in training initiatives and will outline same in FEIS.

The proponent commits to continue working on relationships with various training groups in the Region (i.e., Nunavut Mine Training Group; Multiple Graduations Options Pilot Project; Drilling Assistants Training Program at Windy Camp; Kitikmeot Employment and Training Partnership and will outline details of same in the FEIS.

New Reference:	Chapter 26, p. 34; and FEIS Supplemental
Proponent Remarks:	<p>A number of pre-employment and employment training initiatives are proposed in the Supplemental. Chief among them are:</p> <ul style="list-style-type: none"> • The proponent will take the lead in community-based workshops on employment opportunities, with a focus on qualifications, work conditions and benefits. • Prior to construction, the proponent will make a decision on areas in which to offer training, based on availability and interest. • The proponent will train Inuit workers specifically for environmental technician jobs, assay technician jobs, mill operators. • Upon mine closure, the proponent will provide workshops in job search, interviewing skills, resume preparation through a transition centre.
Comments:	<p>As NIRB pointed out in its conformity review, there are only references in the FEIS to requesting training assistance from other organizations. Consequently, the proponent was directed to submit a Supplemental.</p> <p>The initiatives proposed in the FEIS Supplemental represent a more proactive approach to training than those identified in the DEIS.</p>
Recommendations:	It should be recognized that the proponent is a mining company, not a training agency. The new initiatives are good, but first and foremost the proponent should continue working with those agencies responsible for training, to ensure that Inuit who wish to work on the Project have every opportunity to obtain the necessary skills.

Issue:	Capacity Building
Commitment:	The proponent commits to outlining in the FEIS how it proposes to work with the Kitikmeot businesses in the area of capacity building.
New Reference:	Chapter 26, p. 35
Proponent Remarks:	<p>The proponent will “work with local service providers to emphasize promotion of business opportunities in the procurement of goods and services and prevention of deleterious effects. [The proponent] will suggest a variety of strategies to enhance business opportunities through ongoing communication and consultation with the hamlets.” [Chapter 26, p. 35]</p>
Comments:	<p>The only reference to capacity building is a single statement included in ‘measures to enhance development efforts’ to the effect that the proponent will “...partner with other businesses to offer workshops on business management to increase the business capacity building.”</p> <p>Other development measures re-iterate the intent of the proponent to</p>

tailor its business practices to what it perceives to be the current state of business capacity in the Region.

Recommendations: While we would still like to see a stronger commitment to identifying and implementing measures designed to build business capacity in the Kitikmeot region, we should acknowledge that the proponent at least recognizes business capacity issues and is offering a number of basic initiatives in response. The onus is now on the Kitikmeot business community to step up its efforts to prepare for bidding on contracting opportunities in anticipation of the Project moving forward.

Issue:	Enhancement and Mitigation Measures – Employment and Economy
Commitment:	The proponent committed to include in the FEIS a framework for a VEC socio-economic monitoring program.
New Reference:	Chapter 26, pp. 40-44
Proponent Remarks:	In response to issues raised respecting socio-economic impacts, the Proponent undertook further consultation with the hamlets of Cambridge Bay, Gjoa Haven, Taloyoak and Kugluktuk to ensure that their concerns and submissions were incorporated into the socio-economic effects assessment and the proponent's mitigation and monitoring plans.
Comments:	<p>With the addition of a socio-economic monitoring framework, the proponent now places responsibility for monitoring the effectiveness of the proponent's employment enhancement and mitigation measures in the hands of a committee comprising "representatives from interest groups that could be impacted by the construction, operation and closure of the MHBL mine. They will include MHBL staff (including the Manager, Community Relations), a cross-section of representatives from some of the Health Services, Social Services and the RCMP, representatives from all key communities and representatives of associations and organizations and territorial and local governments."</p> <p>The framework also identifies information collection and analysis procedures.</p> <p>It should be noted that INAC made a number of comments following the PHC with respect to the lack of response to a number of Information Requests on this topic.</p>
Recommendations:	The deficiency in the DEIS with respect to a socio-economic monitoring has now been corrected (although to what extent it will satisfy INAC is a consideration).

CONCLUSIONS

The proponent is to be commended for responding to the issues that KIA identified in the DEIS with respect to employment and training. The FEIS contains more substantive measures to address the need for training and skill development, and a more robust – and accountable – socio-economic monitoring framework.

Although the Doris North Project will be “small”, and of short duration, by typical mine development standards, the proponent nevertheless can entertain very real opportunities to reduce currently high levels of unemployment in the Kitikmeot region. The new employment and training initiatives represent positive steps in that direction.